Retirement News for Employers

December 18, 2014 Edition

Plan sponsors

- Set up a plan by December 31 – It's not too late to set up a 401(k) or profit sharing plan for 2014
- Retirement plan records – important information for employer sponsors
- If the EPCU has contacted you – and you email them, please include your telephone number
- Form 5500-SUP – draft paper Form 5500-SUP for certain plan filers
- Plan check-ups – a retirement plan needs regular care
- Correcting common Roth contribution mistakes – learn your options

Plan participants

- Types of retirement plan contributions
- Limit your elective deferrals to the annual amount
- Saver's credit
- IRA year-end reminders
- Required minimum distributions
- Changes to the IRA one-rollover-per-year rule

Updated

- Mark your calendar – deadlines for retirement plans
- DOL Corner – updates from Department of Labor
- Publication 1-EP, *Understanding the Employee Plans Examination Process* (10-2014)
- Publication 1020, *Appeal Procedures Employee Plans Examinations* (11-2014)
- Publication 4810, *Specifications for Electronic Filing of Form 8955-SSA, Annual Registration Statement Identifying Separated Participants With Deferred Vested Benefits*

It's Not Too Late to Set up a Retirement Plan

You have until December 31 to adopt a new 401(k), profit-sharing or other qualified plan for 2014. You can set up a SEP as late as the due date for your 2014 tax return. You can set up and make regular contributions to an IRA as late as April 15, 2015.

Key last-minute dates for small business retirement plans

Plan	Deadline to set up for 2014	Extension to set up if you request a filing extension?	Last date to contribute for 2014
401(k) Profit-sharing	12/31/2014	No	Due date of employer's return (including extensions)
SEP	Due date of employer's return (including extensions)	Yes	Due date of employer's return (including extensions)
Traditional or Roth IRA	4/15/2015	No	4/15/2015

SEP deadlines for calendar-year filers

The last date to set up or contribute to your simplified employee pension plan depends on the type of return you file for 2014 and whether you requested an extension of time to file.

	Last date to set up and contribute to a SEP	Last date for a SEP if you request a filing extension
Sole proprietor (Form 1040)	4/15/2015	10/15/2015
Corporation (Form 1120, 1120S)	3/16/2015	9/15/2015
Partnership (Form 1065)	4/15/2015	9/15/2015

Benefits of starting a plan

Consider the benefits for both you and your employees:

- You can deduct employer contributions on your 2014 business return if you make them by the return's due date including extensions.
- Employees can reduce their 2014 taxable income when they make salary deferrals by the end of the calendar year (if your plan is in effect first).
- Contributing to a retirement plan improves your retirement financial security by taking advantage of compounding interest on your contributions and earnings.

How to set up a retirement plan

Many financial institutions and benefits practitioners offer retirement plans that the IRS has pre-approved. You can also have a benefits professional draft an individually designed plan specifically for your business.

You can set up a SEP or SIMPLE IRA plan for little or no cost at a bank, investment firm or insurance company.

Special rules for SIMPLE IRA plans

Most new SIMPLE IRA plans must be set up by October 1. Your employer contributions must use employees' full year compensation in calculating contributions, even if the plan was only in existence for part of the year.

If you (or a predecessor employer) previously had a SIMPLE IRA plan, then your SIMPLE IRA plan's effective date must be January 1. If you want to start another SIMPLE IRA plan, the plan must take effect January 1, 2015, at the earliest.

If you're a new company that started business after October 1 of a year, you may set up a SIMPLE IRA plan as soon as administratively feasible after your business comes into existence, even if this is after October 1. Your plan's effective date can't be before you actually establish the plan.

Additional resources

- Help with Choosing a Retirement Plan
- Types of Retirement Plans
- Publication 560, *Retirement Plans for Small Business (SEP, SIMPLE, and Qualified Plans)*

Maintaining Your Retirement Plan Records

As an employer sponsoring a retirement plan, you are required by law to keep your books and records available for review by the IRS. Having these records will also facilitate answering questions when determining participants' benefits. Employee plans covers the qualification of pension, annuity, profit sharing and stock bonus plans, IRAs, SEPs, SIMPLEs, tax sheltered annuities, and 457 plans.

Which plan records should you keep in case of an IRS audit?

As a plan sponsor you should keep the plan and trust document, recent amendments, determination and approval letters, related annuity contracts and collective bargaining agreements. The records you keep are based on the type of plan you sponsor.

For example:

- **SEP Plans** – Keep Form 5305-SEP or 5305A-SEP as your plan document
- **SIMPLE IRA plans** – Keep Form 5304-SIMPLE or 5305-SIMPLE as your plan document
- **Profit sharing, 401(k) or defined benefit plans** – Keep your plan document, adoption agreement (if you have one) and all plan amendments

Also keep:

- trust records such as investment statements, balance sheets, and income statements
- participant records such as census data, account balances, contributions and earnings, loan documents and information, compensation data and participant statements and notices

How long should you keep plan records?

You should keep retirement plan records until the trust or IRA has paid all benefits and enough time has passed that the plan won't be audited. Retirement plans are designed to be long-term programs for participants to accumulate and receive benefits at retirement. As a result, plan records may cover many years of transactions. The Internal Revenue Code and Income Tax Regulations as well as the Employee Retirement Income Security Act of 1974, as amended (ERISA) require plan sponsors to keep records of these transactions because they may become material in administering pension law.

If you're audited

You are required to provide complete, accurate records in either paper or electronic format if the IRS requests them during an audit.

Additional resources

Revenue Procedure 98-25 - lists the basic requirements for recordkeeping when a taxpayer maintains their records in an automatic data processing system.

Include Your Telephone Number When You Email EPCU

Have you sent an email to the Employee Plans Compliance Unit (EPCU), but didn't receive a response? That's because the EPCU can't respond to you or your representative by email.

We're not ignoring you, but because of disclosure laws and concerns about identity theft, we can't answer your questions via email, text messaging or social media. Please resend your questions to EPCU@irs.gov. Include your phone number and the best time to reach you, and we'll contact you with answers.

If you have general questions about retirement plans not related to EPCU projects, contact EP Customer Account Services.

Draft Paper Form 5500-SUP for Plan Year 2015

Final Regulations (T.D. 9695) issued under Internal Revenue Code Sections 6058 and 6059 generally require filers who have to file at least 250 returns with the IRS during the calendar year to file their Form 5500-series returns electronically.

- The regulations are effective for plan years beginning on or after January 1, 2015, but only for Form 5500-series returns with a filing deadline after December 31, 2015.
- As noted in the preamble to the regulations, the IRS plans to:
    - add items on the 2015 Forms 5500 and 5500-SF that relate solely to the Internal Revenue Code requirements and
    - provide a supplemental, paper-only form containing those Code-related items for filers who aren't required to file electronically under the regulations.

Form 5500-SUP, *Annual Return of Employee Benefit Plan Supplemental Information*, is the paper-only form the IRS intends to issue to supplement the Form 5500 and Form 5500-SF for 2015 and later plan years. Plan administrators and plan sponsors (in certain situations) may use the Form 5500-SUP if they're exempt from the mandatory IRS electronic filing regulation and don't choose to electronically answer the "IRS compliance" questions on Forms 5500 and 5500-SF through the EFAST2 system.

The IRS anticipates that the Form 5500-SUP will contain the same IRS compliance questions that the IRS intends to add to the Form 5500 and the Form 5500-SF. The Form 5500-SUP will give filers who are not required to file electronically the option to answer these questions on paper.

The Form 5500-SUP may be used by plan administrator or plan sponsors who:

1. are required to file Form 5500 or Form 5500-SF;
2. file fewer than 250 tax returns of any type, including information returns, during the calendar year that includes the first day of the plan year; and
3. choose not to answer the IRS compliance questions electronically through the EFAST2 system.

Plan sponsors who file Form 5500-EZ will not need to file Form 5500-SUP because the compliance questions will already be on the Form 5500-EZ.

If you wish, you can submit comments about the draft Form 5500-SUP.

Fixing Common Mistakes - Correcting a Roth Contribution Failure

The issue

Many employers have added a Roth feature to their 401(k), 403(b) or governmental 457(b) plans. This feature allows employees to choose to designate some or all of their elective contributions as Roth contributions. Employees must make this designation before the deferral is withheld from their salary. A Roth contribution differs from a pre-tax elective contribution in that the Roth contribution amount is included in gross income.

The problem

A common mistake we've encountered in the operation of a Roth feature is that the employer doesn't follow the employee's election as to the type of elective deferral.

The employee elects a Roth contribution, but the employer treats it as a pre-tax deferral.

Example 1: The ABC Corporation 401(k) Plan includes a Roth feature. In 2013, Marcie elected to defer $5,000 of her salary as a Roth contribution to the plan. In 2014, the plan administrator discovered that Marcie's contribution was made as a pre-tax deferral and not the Roth contribution that she elected.

Fixing the mistake

To fix the mistake of not following an employee's election to designate the contribution as a Roth contribution you must transfer the deferrals, adjusted for earnings, from the pre-tax account to the Roth account. There are two options on how to report this transfer:

1. The employer issues a corrected Form W-2 and Marcie must file an amended Form 1040 for the year of the failure (2013).
2. The employer includes the amount transferred from the pre-tax to the Roth account in Marcie's compensation in the year it's transferred (2014). If the employer elects, it may compensate Marcie for the additional amount she owes in income tax in 2014. This must be included in Marcie's 2014 income.

The employee elects pre-tax deferral, but the employer treats it as a Roth contribution.

Example 2: In 2013, Marco elected to contribute $6,000 to the XYZ Corporation 401(k) Plan, which allows both pre-tax and Roth contributions. Marco elected to make a pre-tax deferral. Despite Marco's election, the XYZ Corporation realized in 2014 that Marco's contribution for 2013 was made as a Roth contribution and not the pre-tax deferral that he elected.

Fixing the mistake

The XYZ Corporation can transfer the erroneously deposited deferrals, adjusted for earnings, from the Roth account to the pre-tax account. The XYZ Corporation would file a corrected W-2 and Marco would file an amended 1040 for the year of the failure (2013).

Correction programs available

The plan sponsor can use the Voluntary Correction Program (VCP) (if the error is significant and it meets the other conditions of VC). The error can be self-corrected, without IRS approval, if the mistake is insignificant or, if significant, if the plan sponsor corrects the mistake within two years. A plan sponsor can use self-correction only if the plan has practices and procedures in place designed to promote overall tax law compliance. If the plan is under IRS examination, then mistakes are generally corrected under a closing agreement using the Audit Closing Agreement Program.

Making sure it doesn't happen again

Establish procedures that ensure that the participants' elections are correctly implemented. This could include educating those responsible for processing the deferral elections on how to interpret and implement the information on the election forms. In addition, periodically check the process of withholding, classifying and depositing salary deferrals so that you can timely fix errors and adjust internal controls, as needed.

Types of Retirement Plan Contributions

If you participate in an employer-sponsored retirement plan, you may be able to make different types of plan contributions from your wages:

- **Pre-tax elective deferrals** aren't included in your gross income in the year that you make them. For example, if you asked your employer to contribute $2,000 from your $30,000 salary to the plan, you'd only include $28,000 in income. You must include these contributions, plus any earnings, in your income when you later withdraw them.
- **Designated Roth contributions** are elective deferrals that are included in your gross income in the year you make them, but not when you withdraw them from the plan. If you meet certain conditions, you don't have to include any earnings on these contributions in your income when you withdraw them.
- **After-tax employee contributions** are also included in your gross income in the year you make them. You don't include these contributions in income when you withdraw them, but you must include any earnings. **Unlike elective deferrals, there isn't an annual dollar limit on the amount of these contributions you can make**, but if you're a highly compensated employee, your after-tax employee contributions may be limited by what other employees contribute.

- **Catch-up contributions** are additional elective deferrals you may be able to contribute to the plan if you're age 50 or older by the end of the calendar year. You can make these contributions as pre-tax elective deferrals or designated Roth contributions (if your plan allows them) or any combination of the two.

Elective deferral limits:

For 2014:
- $17,500 to 401(k) (other than a SIMPLE 401(k)), 403(b) and 457(b) plans (plus $5,500 catch-up contributions)
- $12,000 to SIMPLE plans (plus $2,500 catch-up contributions)

For 2015:
- $18,000 to 401(k) (other than a SIMPLE 401(k)), 403(b) and 457(b) plans (plus $6,000 catch-up contributions)
- $12,500 to SIMPLE plans (plus $3,000 catch-up contributions)

Ask your employer or check your summary plan description to find out which types of contributions you can make to your workplace retirement plan.

Additional resources
- Types of Retirement Plans
- Tax Information for Plan Participant/Employee
- Retirement Saving Tips for Individuals
- Retirement Plans Frequently Asked Questions

Retirement Topics - Retirement Savings Contributions Credit (Saver's Credit)

You may be able to take a tax credit for making eligible contributions to your IRA or employer-sponsored retirement plan.

Who's eligible for the credit?

You're eligible for the credit if you're:
1. Age 18 or older;
2. Not a full-time student; and
3. Not claimed as a dependent on another person's return.

See the instructions for Form 8880, *Credit for Qualified Retirement Savings Contributions*, for the definition of a full-time student.

Amount of the credit

The amount of the credit is 50%, 20% or 10% of your retirement plan or IRA contributions up to $2,000 ($4,000 if married filing jointly), depending on your adjusted gross income (reported on your Form 1040 or 1040A). Use the chart below to calculate your credit.

*Single, married filing separately, or qualifying widow(er)

2014 Saver's Credit			
Credit Rate	**Married Filing Jointly**	**Head of Household**	**All Other Filers***
50% of your contribution	AGI not more than $36,000	AGI not more than $27,000	AGI not more than $18,000
20% of your contribution	$36,001 - $39,000	$27,001 - $29,250	$18,001 - $19,500
10% of your contribution	$39,001 - $60,000	$29,251 - $45,000	$19,501 - $30,000
0% of your contribution	more than $60,000	more than $45,000	more than $30,000

2015 Saver's Credit			
Credit Rate	**Married Filing Jointly**	**Head of Household**	**All Other Filers***
50% of your contribution	AGI not more than $36,500	AGI not more than $27,375	AGI not more than $18,250
20% of your contribution	$36,501 - $39,500	$27,376 - $29,625	$18,251 - $19,750
10% of your contribution	$39,501 - $61,000	$29,626 - $45,750	$19,751 - $30,500
0% of your contribution	more than $61,000	more than $45,750	more than $30,500

Retirement savings eligible for the credit

The Saver’s Credit can be taken for your contributions to a traditional or Roth IRA; your 401(k), SIMPLE IRA, SARSEP, 403(b), 501(c)(18) or governmental 457(b) plan; and your voluntary after-tax employee contributions to your qualified retirement and 403(b) plans.

Rollover contributions (money that you moved from another retirement plan or IRA) aren't eligible for the Saver's Credit. Also, your eligible contributions may be reduced by any recent distributions you received from a retirement plan or IRA.

Example: Jill, who works at a retail store, is married and earned $30,000 in 2014. Jill's husband was unemployed in 2014 and didn't have any earnings. Jill contributed $1,000 to her IRA in 2014. After deducting her IRA contribution, the adjusted gross income shown on her joint return is $29,000. Jill may claim a 50% credit, $500, for her $1,000 IRA contribution.

Additional resources

- Individual Retirement Arrangements (IRAs)
- *Publication 590,* Individual Retirement Arrangements (IRAs)
- Form 8880, *Credit for Qualified Retirement Savings Contributions*

IRA Year- End Reminders

Whether you are still working or retired, you should periodically review your IRAs. Here are few things to remember.

Contribution limits
If you're still working, review the 2014 IRA contribution and deduction limits to make sure you are taking full advantage of the opportunity to save for your retirement. You can make 2014 IRA contributions until April 15, 2015.

Excess contributions
If you exceed the 2014 IRA contribution limit, you may withdraw excess contributions from your account by the due date of your tax return (including extensions). Otherwise, you must pay a 6% tax each year on the excess amounts left in your account.

Required minimum distributions
If you are age 70½ or older this year, you must take a 2014 required minimum distribution by December 31, 2014 (by April 1, 2015, if you turned 70½ in 2014). You can calculate the amount of your IRA required minimum distribution by using our Worksheets. You must calculate the required minimum distribution separately for each IRA that you own other than any Roth IRAs, but you can withdraw the total amount from one or more of your non-Roth IRAs. Remember that you face a 50% excise tax on any required minimum distribution that you fail to take on time.

Additional resources

- IRA home page
- FAQs: IRAs
- Required Minimum Distributions
- Publication 590, *Individual Retirement Arrangements (IRAs)*

IRA One-Rollover-Per-Year Rule

Beginning in 2015, you can make only one rollover from an IRA to another (or the same) IRA in any 12-month period, regardless of the number of IRAs you own (Announcement 2014-15 and Announcement 2014-32). The limit will apply by aggregating all of an individual's IRAs, including SEP and SIMPLE IRAs as well as traditional and Roth IRAs, effectively treating them as one IRA for purposes of the limit.

- Trustee-to-trustee transfers between IRAs are not limited
- Rollovers from traditional to Roth IRAs ("conversions") are not limited

Transition rule ignores some 2014 distributions

IRA distributions rolled over to another (or the same) IRA in 2014 will not prevent a 2015 distribution from being rolled over provided the 2015 distribution is from a different IRA involved in the 2014 rollover.

Example: If you have three traditional IRAs, IRA-1, IRA-2 and IRA-3, and in 2014 you took a distribution from IRA-1 and rolled it into IRA-2, you could not roll over a distribution from IRA-1 or IRA-2 within a year of the 2014 distribution but you could roll over a distribution from IRA-3. This transition rule applies only to 2014 distributions and only if different IRAs are involved. So if you took a distribution from IRA-1 on January 1, 2015, and rolled it over into IRA-2 the same day, you could not roll over any other 2015 IRA distribution (unless it's a conversion).

Background of the one-per-year rule

Under the basic rollover rule, you don't have to include in your gross income any amount distributed to you from an IRA if you deposit the amount into another eligible plan (including an IRA) within 60 days (Internal Revenue Code Section 408(d)(3)). Internal Revenue Code Section 408(d)(3)(B) limits taxpayers to one IRA-to-IRA rollover in any 12-month period. Proposed Treasury Regulation Section 1.408-4(b)(4)(ii), published in 1981, and IRS Publication 590, *Individual Retirement Arrangements (IRAs)* interpreted this limitation as applying on an IRA-by-IRA basis, meaning a rollover from one IRA to another would not affect a rollover involving other IRAs of the same individual. However, the Tax Court held in 2014 that you can't make a non-taxable rollover from one IRA to another if you have already made a rollover from any of your IRAs in the preceding 1-year period (Bobrow v. Commissioner, T.C. Memo. 2014-21).

Tax consequences of the one-rollover-per-year limit

Beginning in 2015, if you receive a distribution from an IRA of previously untaxed amounts:

- you must include the amounts in gross income if you made an IRA-to-IRA rollover in the preceding 12 months (unless the transition rule above applies), and
- you may be subject to the 10% early withdrawal tax on the amounts you include in gross income.

Additionally, if you pay the distributed amounts into another (or the same) IRA, the amounts may be:

- treated as an excess contribution, and
- taxed at 6% per year as long as they remain in the IRA.

Direct transfers of IRA money are not limited

This change won't affect your ability to transfer funds from one IRA trustee directly to another, because this type of transfer isn't a rollover (Revenue Ruling 78-406, 1978-2 C.B. 157). The one-rollover-per-year rule of Internal Revenue Code Section 408(d)(3)(B) applies only to rollovers.

Additional resources

- IRS Clarifies Application of One-Per-Year Limit on IRA Rollovers
- Individual Retirement Arrangements (IRAs)
- Rollover of Retirement Plan and IRA Distributions

Mark Your Calendar

Here are some important deadlines in the upcoming months. Most of the dates are for calendar-year retirement plans; non-calendar-year plans must adjust some of these dates.

Dec. 31, 2014:

- Distribute 2013 401(k) excess contributions and excess aggregate contributions (both adjusted for 2013 income and losses).
- Establish a qualified retirement plan for 2014 (you can't make retroactive elective deferrals.)
- Distribute 2014 required minimum distributions (you have until April 1, 2015, to pay the first RMD for a participant who turned 70 ½ in 2014, or for a participant other than a 5% owner, who retired in 2014.)
- Revoke a single-employer defined benefit plan sponsor's previous election to use a funding balance to offset minimum required contributions for the 2014 plan year, to the extent the election exceeded the full minimum required contribution for the year. This deadline only applies to plans with valuation dates as of the first day of the plan year.
- Elect to reduce Jan. 1, 2014, funding balances to avoid or lift benefit restrictions under IRC Sect. 436 for single-employer defined benefit plans.
- Recertify a single-employer defined benefit plan's 2014 AFTAP if it had previously been certified using MAP-21 rates on or before Sept. 30, 2014, and the use of Highway and Transportation Funding Act (HATFA) rates causes a material change (deadline applies if changes in IRC Sect. 436 restrictions are applied prospectively) – see Notice 2014-53.
- Make elections under HATFA:
    - Revoke a deemed election to defer using HATFA rates for a single-employer defined benefit plan to 2014 by either providing written notice or filing an amended Form 5500, 5500-SF or 5500-EZ for the 2013 plan year.

    - Restore any single-employer defined benefit plan's funding balances if a reduction made before applying HATFA rates is no longer necessary (if the original election was made on or before Sept. 30, 2014).
    - Add excess 2013 contributions made on or before Sept. 30, 2014, to a single-employer defined benefit plan to the plan's 2014 funding balances (only if HATFA rates apply for 2013).
    - Redesignate any single-employer defined benefit plan contributions no longer needed for 2013 as 2014 contributions (only if HATFA rates apply for 2013 and the original contribution was made between Jan. 1, 2014 and Sept. 30, 2014).
- Make one-time elections under the Cooperative and Small Employer Charity Pension Flexibility Act of 2014 (the CSEC Act):
    - Elect not to treat a plan as a CSEC plan, meaning that it would not be subject to the special rules for CSEC plans[1].
    - Elect not to treat a plan as an eligible charity plan and comply with PPA'06 rules retroactively for all years beginning with the 2008 plan year (election due to the IRS by December 31, 2014, regardless of the plan's plan year).

Jan. 15, 2015: Make the 2014 fourth quarter contribution for defined benefit plans.

Feb. 2:
- Cycle D individually designed plans must amend for recent law changes and may submit the plan for a determination letter.
- File Form 945, *Annual Return of Withheld Federal Income Tax*. If you made complete deposits of 2014 taxes, you may file Form 945 by Feb. 10, 2015.
- Trustees and custodians must issue Form 1099-R, *Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.*, to recipients of 2014 retirement plan distributions.

March 2: File paper Form 1099-R and Form 1096, *Annual Summary and Transmittal of U.S. Information Returns*, for 2014 with IRS. If you file Form 1099-R electronically, the due date is March 31, 2015.

March 15:
- Apply for waiver of 2014 minimum funding standard for single-employer defined benefit plans if the sponsor won't be able to make the required contribution and will meet the conditions to qualify for a funding waiver.
- Distribute 2014 ADP/ACP excess amounts, with earnings, to highly compensated employees to avoid 10% excise tax (June 30, for certain eligible automatic contribution arrangements).
- Make 2014 corporate employer contributions to be eligible to take a tax deduction for 2014 (if no extension was filed for tax return).
- Set up SEP plan for 2014 if your business is a corporation (Sept. 15, 2015, if you file for an extension for your Form 1120).

March 16:

File Form 1042-S, *Foreign Person's U.S. Source Income Subject to Withholding*, and Form 1042, *Annual Withholding Tax Return for U.S. Source Income of Foreign Persons*, with the IRS to report retirement plan distributions and income tax withheld from distributions to nonresident aliens.

March 31:

Obtain certified AFTAP from the enrolled actuary for a defined benefit plan, to avoid the reduction in presumed AFTAP (and potential additional benefit restrictions under IRC Sect. 436) otherwise effective April 1.

[1] This election is only available to approximately 30-35 plans. CSEC plans are defined in IRC Sect. 414(y), and are generally (1) plans maintained by more than one employer, at least 85% of which are cooperative organizations and related entities, or (2) plans maintained by more than one employer (taking into account the controlled group rules in IRC Sect. 414(b) or (c)), all of which are described in IRC Sect. 501(c)(3).

DOL Corner

The Department of Labor's Employee Benefits Security Administration (DOL/EBSA) announced new guidance as featured below. You can subscribe to DOL/EBSA's home page for updates

ERISA at 40

As we recognize the 40th anniversary of ERISA's passage this year, DOL/EBSA invites you to visit our dedicated Web page. On October 21, DOL/EBSA hosted a symposium to commemorate the 40th anniversary. You can view the discussions online. The first panel discussed "From Statute to Action" and the second panel examined "Leadership and Legacy."

Fiduciary guidance on lifetime income

On October 23, DOL/EBSA issued an information letter to the Department of the Treasury responding to a request for views on whether a series of target date funds (Funds) could serve as "qualified default investment alternatives" within the meaning of 29 CFR Section 2550.404c-5 (the QDIA regulation), in light of the Funds' investments in unallocated deferred annuity contracts, described in IRS Notice 2014-66. The letter also addressed whether, and to what extent, the Department's "annuity selection safe harbor," 29 CFR Section 2550.404a-4, is available in connection with the selection of the unallocated deferred annuity contracts as investments of the Funds. The letter was issued in coordination with IRS's issuance of Notice 2014-66.

E-filing for "top hat" plan statements and apprenticeship and training plan notices

On September 30, DOL/EBSA published a proposed regulation that would require electronic filing of "top hat" plan statements and apprenticeship and training plan notices.

Under current law, top hat plans and apprenticeship and training plans file paper statements and notices with DOL/EBSA. The proposed regulation would revise current filing procedures to require electronic submission but would not change current content requirements.

The new electronic filing system is available and filers are encouraged to use it pending the adoption of the final regulation. The new system for top hat plans and the new system for apprenticeship and training plan notices are available on DOL/EBSA's website. DOL/EBSA will treat electronic filers as satisfying the current requirement to file paper.

Comments on the proposed regulation and the design of the new filing system are due by December 29, 2014.

Outreach and education

For notice of upcoming events as they are scheduled, subscribe to DOL/EBSA's website home page. DOL/EBSA conducts seminars on retirement plans and health benefits plans for small businesses.